

Subject Changes to OHE regulation of private schools

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Overview

The bill makes a number of changes to the Office of Higher Education's (OHE) regulation of both degree-granting schools and private career schools. The most significant changes are:

- Permitting OHE to revoke or suspend approval of schools that:
 - Use fraudulent, coercive, or dishonest practices.
 - Demonstrate incompetence, untrustworthiness, or financial irresponsibility.
 - Are administratively or judicially determined to have committed fraud or a material violation of law.
- Forbidding schools from requiring students to agree to mandatory predispute arbitration clauses.
- Permitting schools that offer both religious and nonreligious programs of instruction to receive an exemption for their religious programs, while still requiring regulation of nonreligious programs.
- Permitting students to receive prorated tuition if they provide nonwritten notice of cancellation (current law requires written notice).
- Limiting "conditional approval" of schools that are not yet accredited to schools physically located in Minnesota.

Summary

| Section | Description |
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| 1 | Mandatory predispute arbitration clauses; degree-granting schools. Prohibits degree-granting schools from requiring students to agree to mandatory predispute arbitration clauses. |
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| Section | Description |
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| 2 | <p>Conditional approval.</p> <p>Under current law, OHE has the authority to grant a degree-granting school a one-year conditional approval while the school applies for accreditation. The bill limits that authority to schools physically located in Minnesota and new programs.</p> |
| 3 | <p>Registration revocation and suspension; degree-granting schools.</p> <p>Requires OHE to give written notice and reasons before revoking, suspending, or refusing to renew registration or approval of a school's degree.</p> <p>Permits OHE to revoke or suspend approval of a degree-granting school if the school:</p> <ul style="list-style-type: none">▪ Used fraudulent, coercive, or dishonest practices.▪ Demonstrated incompetence, untrustworthiness, or financial irresponsibility.▪ Was administratively or judicially determined to have committed fraud or a material violation of law involving state, local, or federal funds. |
| 4 | <p>Religious exemption; degree-granting schools.</p> <p>Exempts degree-granting programs from OHE regulation if they are offered by a religious organization or church, primarily designed for persons who seek to learn the faith and beliefs of the organization, and intended to prepare the students to enter a vocation closely related to the faith.</p> |
| 5 | <p>Exemption limitation; degree-granting schools.</p> <p>Clarifies that the religious exemption for degree-granting schools does not extend to programs that are marketed or represented to students as nonreligious or to prepare students for a vocation not related to the faith.</p> |
| 6 | <p>Technical change.</p> <p>Fixes a broken cross-reference.</p> <p>Minnesota Statutes, sections 136A.61 to 136A.71 cover the regulation of degree-granting schools. Sections 136A.82 to 136A.834 cover the regulation of private career schools.</p> <p>In the section of statute covering degree-granting schools, there is language that nothing in the relevant laws shall be interpreted as permitting the office to determine the truth or falsity of religious beliefs. The current language erroneously extends the range of statutes covered to include the private career schools. The bill would limit the range of statutes to just the sections of law covering degree-granting schools—the same language already exists in the private career schools sections of statute.</p> |

| Section | Description |
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| 7 | <p>Mandatory predispute arbitration clauses; degree-granting schools.</p> <p>Prohibits degree-granting schools from requiring students to agree to mandatory predispute arbitration clauses.</p> |
| 8 | <p>Nonwritten notice of cancellation permitted; private career schools.</p> <p>Under current law, a student may give written notice to a private career school that the student is cancelling attendance. If the notice is given after the program of instruction has begun, but before completion of 75 percent of the program, the school's charges for tuition, fees, and other costs must be prorated.</p> <p>The bill removes the requirement that a student give written notice. Students would receive prorated tuition under this provision even if they give nonwritten notice of cancellation.</p> |
| 9 | <p>License revocation and suspension; private career schools.</p> <p>Permits OHE to revoke or suspend approval of a private career school if the school:</p> <ul style="list-style-type: none">▪ Used fraudulent, coercive, or dishonest practices.▪ Demonstrated incompetence, untrustworthiness, or financial irresponsibility.▪ Was administratively or judicially determined to have committed fraud or a material violation of law involving state, local, or federal funds. |
| 10 | <p>Application for religious exemptions; private career schools.</p> <p>Allows a private career school to apply for a religious exemption for its religious programs, even if it offers other nonreligious programs.</p> |
| 11 | <p>Religious exemption; private career schools.</p> <p>Exempts private career school programs from OHE regulation if they are offered by a religious organization or church, primarily designed for persons who seek to learn the faith and beliefs of the organization, and intended to prepare the students to enter a vocation closely related to the faith.</p> |
| 12 | <p>Exemption limitation; private career schools.</p> <p>Clarifies that the religious exemption for degree-granting schools does not extend to programs that are marketed or represented to students as nonreligious or to prepare students for a vocation not related to the faith.</p> |



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